

AMENDMENT NO. _____

Signature of Sponsor

AMEND Senate Bill No. 1064*

House Bill No. 1427

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

Section _____. (a) The General Assembly finds and declares:

(1) That electricity is a necessity for all individuals, industries, businesses, municipalities and counties in the State of Tennessee; and

(2) That the generation and transmission of electric power and the sale and distribution of electricity to consumers within the state are of vital importance to the citizens of this state; and

(3) That it is the policy of the General Assembly and this state to support a regulatory climate that ensures reliable electric services at reasonable prices for all consumers as a matter of public interest; and

(4) That markets for electricity are changing nationally and appear to be rapidly moving toward increased competition; and

(5) That the deregulation of Tennessee's electric utility industry could potentially have a profound impact on state resources by decreasing utility costs; and

(6) That such utility costs can further be lowered by allowing distributors of electricity in the state to engage in other type services, such as telephone and telecommunication services; and

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(7) That electric utility deregulation in Tennessee could enhance the competitive position of Tennessee's businesses and industries, including Tennessee's ability to compete more effectively in business development; and

(8) That there exist significant opportunities to provide other innovative choices for electricity, and perhaps other utility services such as telephone and telecommunication services, to consumers with a deregulated electric utility industry; and

(9) That there is a need for careful consideration of all issues involving customer choice, the potential restructuring of, and competition in the electric utility industry and the present system of electric utility regulation; and

(10) That the Federal Energy Regulatory Commission and the legislatures and regulatory commissions of forty-nine states either have implemented or are studying initiatives to restructure and to increase competition in the electric utility industry; and

(11) That the deregulation of the electric utility industry in Tennessee will be more complex than in most other states because Tennessee consumers are supplied power almost exclusively by the Tennessee Valley Authority, the nation's largest public power supplier, which enjoys certain legal rights and protections that are not present in other markets; and

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(12) That the interest of Tennessee's citizens in a competitive electric utility industry, as well as competitive telecommunication services, warrants the immediate attention of the General Assembly.

(b) There is hereby created a special joint committee to study the issue of electric utility deregulation and its impact on Tennessee.

(c) The committee shall consist of four (4) members of the House of Representatives and four (4) members of the Senate to be appointed by the respective speakers; provided, that no fewer than two (2) of the members of the joint committee shall be the current chairs, vice chairs or secretaries of the standing House and Senate committees that are responsible for energy matters affecting the state.

(d) In its deliberations, the special joint committee shall study and examine the following issues, in addition to all other issues the committee deems pertinent related to the deregulation of the electric utility industry:

(1) What effect Tennessee's status as a state that is provided power almost exclusively from the Tennessee Valley Authority may have on the deregulation process;

(2) What services and other functions of the electric utility industry can best achieve their goals by being subject to competition, if any, taking into account factors such as reliability, price, profit, and rates;

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(3) What services and other functions of the electric utility industry can best achieve their goals through regulation or a combination of regulation and competition, if any;

(4) Whether the electric utility industry's provision of telephone and telegraph services can enhance competition in those areas and aid the deregulation of the electric industry;

(5) With respect to those services and other functions that should be subjected to competition, the ways and means of monitoring such services and functions to ensure that there is, in fact, competition and that competition is achieving its goals; and

(6) With respect to those services and functions that should be regulated, what form such regulation should take and the ways and means of determining whether or not such regulation is achieving its goals.

(e) The study committee shall be charged with the duty and authority to interview witnesses who represent or advise suppliers, large and small industrial consumers, individual consumers and other organizations which might have experience or pertinent information on this subject.

(f) All appropriate state agencies shall provide assistance to the special joint committee upon request of the chair.

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(g) All legislative members of the special joint committee who are duly elected members of the General Assembly shall remain members of such committee until the committee reports its findings and recommendations to the General Assembly.

(h) The special joint committee shall be convened by the member with the most years of continuous service in the General Assembly; and at its first meeting shall elect a chair, vice-chair, and such other officers the committee deems necessary.

(i) The special joint committee shall timely report its findings and recommendations, including any proposed legislation or interim reports, to the One-Hundredth General Assembly, no later than February 28, 1998, after which time the committee shall cease to exist unless additional time is requested by the chair of the committee and approved by the Speakers of the House and Senate, in which case the final report shall be submitted by February 28, 1999, after which time the committee shall cease to exist.

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